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THE WASHINGTON POST
23 June 1982

Edwin Wilson Said Enticed Back to U.S. by 'Deal' Offer

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A close associate of former CIA agent Edwin P. Wilson lured him out of Libya by offering a "deal" under which Wilson could travel safely to the Dominican Republic and trade intelligence information for government assistance in the criminal case against him, according to knowledgeable officials.

Wilson has claimed since his capture in New York City last week that he was shown a letter on National Security Council stationery promising him a 48-hour grace period to leave Libya and meet with unidentified U.S. officials for secret discussions, other officials said.

Knowledgeable officials said yesterday for the first time that they had worked with Northern Virginia businessman Ernest R. Keiser for the last eight months in an elaborate scheme to persuade Wilson that U.S. intelligence agencies were interested in trading information and that the Justice Department might be willing to negotiate reduced charges.

Keiser, through his attorney, Eugene M. Propper, said late last night that he "did work with the Justice Department in an effort to get Ed Wilson back to the United States."

Earlier yesterday Keiser said in an interview that he had been working as an "old friend" of Wilson to arrange his return to the United States, but added that he "definitely did not help the government catch Ed Wilson."

In that interview, he said that his dealings with Wilson were "completely independent" of government efforts to capture Wilson.

Propper, explaining Keiser's initial statements, said Keiser was worried about recriminations over his role but reluctantly decided to acknowledge his cooperation because a government promise of confidential treatment had been breached.

Wilson, 53, was arrested after he

was refused entry into the Dominican Republic and was routed to New York. He is being held on \$20 million bail under a 1980 federal indictment accusing him of providing terrorist training, equipment and explosives to Libyan ruler Col. Muammar Qaddafi.

Keiser said he discussed Wilson's value as an intelligence source with several officials in the U.S. intelligence community.

Keiser also said he recently accepted a \$200,000 loan from Wilson and was to receive another \$250,000 last week.

However, Keiser said, the loans represented Wilson's 5 percent investment in a Florida real estate venture of Keiser's company, Meadow Wood Associates Inc., and were not related to Keiser's services as an intermediary.

Wilson's lawyer, John Keats, said last week at Wilson's arraignment that Wilson intends to contest the legality of his return to the United States.

According to knowledgeable officials, Wilson claims to have a letter delivered by Keiser from Mark Richard, a deputy assistant attorney general, and a separate letter from Assistant U.S. Attorney E. Lawrence Barcella Jr. telling Wilson that the Justice Department was interested in arranging a meeting with the then-fugitive. Richard and Barcella declined to comment last night.

In addition, Wilson says he and three others, including a Swiss lawyer, saw the purported NSC letter giving a specific pledge of safe haven.

The operation that ended with the successful return of Wilson was so sensitive that identification of Keiser as the intermediary was not disclosed to U.S. Attorney Stanley Harris or to other senior Justice Department officials, according to officials involved in the case.

The operation also apparently involved sophisticated surveillance of Keiser's contacts with Wilson, one federal official said. For instance, federal investigators were aware that Keiser was returning to the United States with the \$200,000 loan from Wilson even though Keiser had not disclosed the payment to them.

Keiser said he first met Wilson in South America 20 years ago, when Wilson was an active CIA operative. Keiser would not say whether he has worked for the U.S. government. He said he does not defend Wilson's activities in Libya.

Other officials said Keiser's first overtures to Wilson eight months ago were made through a man identified as Dan Drake, who Keiser said is "an employee of mine."

Keiser acknowledged that he and Drake traveled to Libya on several occasions to meet with Wilson, and that Keiser re-established his relationship with Wilson. "Wilson trusted him," one federal official said.

Keiser said he determined that Wilson's Libyan operations were of potential value to U.S. intelligence agencies.

"I thought it would be possible for Ed to sit down with our representatives of those agencies because in my estimation he would have been a help," Keiser said.

Knowledgeable federal officials said Keiser's efforts were part of the orchestrated "con" to persuade Wilson that he could return and make a satisfactory deal with federal prosecutors who have pursued him unsuccessfully since April, 1980.

Propper said Keiser was motivated by a desire to help the government because of his association with Wilson and by a firm belief that Wilson might be able to rehabilitate himself by sharing the knowledge he had gained in many years of work with hostile governments.